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DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-874]

Certain Hot-Rolled Steel Flat Products from Japan: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that mandatory respondents, Nippon Steel Corporation (NSC) and Tokyo Steel Manufacturing Co., Ltd. (Tokyo Steel), producers and exporters of hot-rolled steel flat products (hot-rolled steel) from Japan, did not sell subject merchandise in the United States at prices below normal value during the period of review (POR) October 1, 2017 through September 30, 2018. In addition, Commerce determines that Honda Trading Canada, Inc. (Honda) had no shipments during the POR.

DATES: Applicable **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

FOR FURTHER INFORMATION CONTACT: Jun Jack Zhao or Myrna Lobo, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1396 or (202) 482-2371, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 16, 2019, Commerce published the *Preliminary Results* of this review in the *Federal Register*.¹ We invited interested parties to comment on the *Preliminary Results*. Between January 15 and January 24, 2020, Commerce received timely filed briefs and rebuttal briefs from the petitioners,² NSC, and Tokyo Steel.³ On January 15, 2020, Commerce received hearing requests from the petitioners and NSC.⁴ In lieu of a hearing, Commerce held a phone meeting with the petitioners on July 17, 2020; NSC did not request a phone meeting in lieu of a hearing.⁵

On March 20, 2020, we extended the deadline for the final results.⁶ On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.⁷ On July 21, 2020, Commerce tolled all deadlines in administrative reviews by an additional 60 days.⁸ The deadline for the final results of this review is now September 22, 2020.

¹ See *Certain Hot-Rolled Steel Flat Products from Japan: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2017-2018*, 84 FR 68402 (December 16, 2019) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

² The petitioners are AK Steel Corporation; ArcelorMittal USA LLC; Nucor Corporation; SSAB Enterprises, LLC; Steel Dynamics, Inc.; and United States Steel Corporation.

³ See Petitioners' Letter, "Certain Hot-Rolled Steel Flat Products from Japan: Case Brief," dated January 15, 2020; see also NSC's Letter, "Certain Hot-Rolled Steel Flat Products from Japan: NSC's Case Brief," dated January 15, 2020; Petitioners' Letter, "Certain Hot-Rolled Steel Flat Products from Japan: Petitioner's Rebuttal Brief," dated January 24, 2020; NSC's Letter, "Certain Hot-Rolled Steel Flat Products from Japan: NSC's Rebuttal Brief," dated January 24, 2020; and Tokyo Steel's Letter, "Rebuttal Brief of Tokyo Steel: Certain Hot-Rolled Steel Flat Products from Japan," dated January 24, 2020.

⁴ See Petitioners' Letter, "Certain Hot-Rolled Steel Flat Products from Japan: Hearing Request," dated January 15, 2020; see also NSC's Letter, "Certain Hot-Rolled Steel Flat Products from Japan: NSC's Hearing Request," dated January 15, 2020.

⁵ See Memorandum, "Certain Hot-Rolled Steel Products from Japan: Phone Meeting with the Petitioners," dated July 17, 2020. The petitioners withdrew their hearing request on July 16, 2020; see Petitioners' Letter, "Certain Hot-Rolled Steel Flat Products From Japan: Withdrawal of Hearing Request," dated July 16, 2020. NSC did not request a phone meeting with Commerce, in lieu of a hearing; see Memorandum, "Administrative Review of Certain Hot-Rolled Steel Flat Products from Japan: Contact with NSC Counsel," dated August 27, 2020.

⁶ See Memoranda, "Certain Hot-Rolled Steel Products from Japan: Extension of Deadline for Final Results of Antidumping Duty Administrative Review; 2017-2018," dated March 20, 2020.

⁷ See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

⁸ See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

These final results cover 25 producers and exporters of subject merchandise.⁹ Based on an analysis of the comments received, we have made changes to the weighted-average dumping margins determined for the respondents. The weighted-average dumping margins are listed in the “Final Results of Review” section. Commerce conducted this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).

Scope of the Order

The merchandise covered by the *Order* is certain hot-rolled steel flat products. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.¹⁰

Final Determination of No Shipments

In the *Preliminary Results*, Commerce preliminarily determined that Honda Trading Canada, Inc. (Honda) had no shipments of subject merchandise during the POR. U.S. Customs and Border Protection (CBP) subsequently confirmed Honda had no shipments.¹¹ As no party has identified any record evidence which would call into question these preliminary findings with respect to Honda, we continue to find that Honda made no shipments of subject merchandise during the POR. Accordingly, consistent with our practice, we intend to instruct CBP to liquidate any existing entries of subject merchandise produced by Honda, but exported by other parties without their own rate, at the all-others rate.¹²

Analysis of Comments Received

⁹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 63615 (December 11, 2018).

¹⁰ See Memorandum, “Issues and Decision Memorandum for the Final Results of the Antidumping Duty Administrative Review: Certain Hot-Rolled Steel Flat Products from Japan; 2017-2018,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

¹¹ See Memorandum, “No Shipment Inquiry with Respect to the Company Below During the Period 10/01/2017 through 09/30/2018,” dated December 10, 2019.

¹² See, e.g., *Magnesium Metal from the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal from the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 75 FR 56989 (September 17, 2010).

We addressed all issues raised in the case and rebuttal briefs in the Issues and Decision Memorandum. The issues are identified in Appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on our review and analysis of the comments received from parties, we made certain changes to the margin calculations for both NSC and Tokyo Steel. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Rate for Non-Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters

and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.”

In this review, we have calculated weighted-average dumping margins for NSC and Tokyo Steel that are zero. Accordingly, we have assigned to the companies not individually examined a margin of 0.00 percent.

Final Results of Review

We are assigning the following weighted-average dumping margins to the firms listed below for the period October 1, 2017 through September 30, 2018:

Producers/Exporters	Weighted-Average Dumping Margin (Percent)
Nippon Steel Corporation/Nippon Steel Nisshin Co., Ltd./Nippon Steel Trading Corporation ¹³	0.00
Tokyo Steel Manufacturing Co., Ltd.	0.00
Review-Specific Average Rate Applicable to the Following Companies:	
Hanwa Co., Ltd.	0.00
Higuchi Manufacturing America, LLC.	0.00
Higuchi Seisakusho Co., Ltd.	0.00
Hitachi Metals, Ltd.	0.00
JFE Steel Corporation/JFE Shoji Trade Corporation ¹⁴	0.00

¹³ In a recently completed changed circumstances review, we found that NSC, Nippon Steel Nisshin Co., Ltd. (Nippon Nisshin), and Nippon Steel Trading Corporation (NSTC) are affiliated companies that should be treated as a single entity and as the successor-in-interest to Nippon Steel & Sumitomo Metal Corporation (NSSMC), Nisshin Steel Co., Ltd. (Nisshin Steel), and Nippon Steel & Sumikin Bussan Corporation (NSSBC), respectively. *See Certain Hot-Rolled Steel Flat Products from Japan: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 84 FR 46713 (September 5, 2019). In the absence of record information indicating that Commerce should reevaluate this determination, we are treating these companies as a single entity for purposes of this administrative review.

¹⁴ We collapsed JFE Shoji Trade Corporation with JFE Steel Corporation in the underlying investigation. *See Certain Hot-Rolled Steel Flat Products from Japan: Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination*, 81 FR 15222 (March 22, 2016), and accompanying PDM at 8-9, unchanged in *Certain Hot-Rolled Steel Flat Products from Japan: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 81 FR 53409 (August 12, 2016).

Producers/Exporters	Weighted-Average Dumping Margin (Percent)
JFE Shoji Trade America	0.00
Kanematsu Corporation	0.00
Kobe Steel, Ltd.	0.00
Metal One Corporation	0.00
Mitsui & Co., Ltd.	0.00
Miyama Industry Co., Ltd.	0.00
Nakagawa Special Steel Inc.	0.00
Nippon Steel & Sumikin Logistics Co., Ltd.	0.00
Okaya & Co. Ltd.	0.00
Panasonic Corporation	0.00
Saint-Gobain K.K.	0.00
Shinsho Corporation	0.00
Sumitomo Corporation	0.00
Suzukaku Corporation	0.00
Toyota Tsusho Corporation Nagoya	0.00

Disclosure

We intend to disclose the calculations performed in connection with these final results within five days of the date of publication of this notice to parties in this proceeding, in accordance with 19 CFR 351.224(b).

Assessment

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Commerce intends to issue

assessment instructions to CBP 15 days after the date of publication of the final results of this review in the *Federal Register*.

Where the respondent reported reliable entered values, we calculated importer- (or customer-) specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer).¹⁵ Where Commerce calculated a weighted-average dumping margin by dividing the total amount of dumping for reviewed sales to that party by the total sales quantity associated with those transactions, Commerce will direct CBP to assess importer- (or customer-) specific assessment rates based on the resulting per-unit rates.¹⁶ Where an importer- (or customer-) specific *ad valorem* or per-unit rate is greater than *de minimis* (i.e., 0.50 percent), Commerce will instruct CBP to collect the appropriate duties at the time of liquidation.¹⁷ Where an importer- (or customer-) specific *ad valorem* or per-unit rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.¹⁸

For the companies which were not selected for individual review, we will assign an assessment rate based on the methodology described in the “Rates for Non-Examined Companies” section.

Consistent with Commerce’s assessment practice, for entries of subject merchandise during the POR produced by NSC, Tokyo Steel, or the non-examined companies for which the producer did not know that its merchandise was destined for the United States, we will instruct

¹⁵ See 19 CFR 351.212(b)(1).

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ See 19 CFR 351.106(c)(2).

CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹⁹

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) the cash deposit rates for the companies listed in these final results will be equal to the weighted-average dumping margins established in the final results of this review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of this proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment in which the company was reviewed; (3) if the exporter is not a firm covered in this review or the original less-than-fair-value (LTFV) investigation, but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.58 percent,²⁰ the all-others rate established in the LTFV investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to

¹⁹ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

²⁰ See *Certain Hot-Rolled Steel Flat Products from Japan: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 81 FR 53409 (August 12, 2016).

liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in the presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h) and 351.221(b)(5) of Commerce's regulations.

Dated: September 9, 2020.

Joseph A. Laroski Jr,

Deputy Assistant Secretary

for Policy and Negotiations.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Application of Partial Facts Available and Use of Adverse Inference
- V. Final Determination of No Shipments
- VI. Changes Since the Preliminary Results
- VII. Discussion of the Issues

Tokyo Steel-Specific Issues

- Comment 1: Whether Tokyo Steel's Scrap Reporting is Flawed
- Comment 2: Whether Commerce Should Adjust Tokyo Steel's Reported Costs by Assigning Non-Prime Cost of Production to Prime Products
- Comment 3: Whether the Quality Product Characteristic for Some of Tokyo Steel's HM Sales is Incorrect

NSC-Specific Issues

- Comment 4: Whether Commerce Should Continue to Apply Partial AFA to Certain NSC's Affiliated Downstream Resales in the Home Market
- Comment 5: Whether Commerce Properly Excluded Certain Further Manufactured U.S. Sales
- Comment 6: Whether NSC's Reported Domestic Inland Freight and Warehousing for U.S. Sales Were Made at Arm's Length
- Comment 7: Whether Commerce Should Account for NSC's Unreported Domestic Brokerage Expenses
- Comment 8: Whether NSC's Reported International Freight Expenses Were Made at Arm's Length
- Comment 9: Whether NSC Has Accounted for the Miscellaneous U.S. Inland Freight Expenses
- Comment 10: Whether Commerce Should Apply AFA for Determining NSC's Further Manufacturing Costs
- Comment 11: Whether Commerce Incorrectly Increased NSC's Further Manufacturing Costs to Account for the Markup Steelscape Washington LLC Charges Steel Scape LLC

VIII. Recommendation

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